



CULTIVATING A POSITIVE SAVINGS HABIT

Happy 9th National Savings Day!

Start saving money from an early stage so you can meet your current and future needs, achieve your financial goals, and ultimately gain financial independence.

28 MAY marks a special day in Brunei Darussalam as National Savings Day is celebrated.

National Savings Day has been celebrated annually since it was launched in 2015.

The top objectives of National Savings Day are:

- To promote a savings culture and prudent money management;
- To enhance the level of financial literacy in Brunei Darussalam; and
- To increase awareness on financial products and services available in the country.

A savings culture is one that speaks to our Bruneian culture, and can be reflected in the Malay proverb, "*Sediakan payung sebelum hujan*" or "Prepare for a rainy day" – which teaches us to always be prepared for any emergencies or unexpected incidents. As such, instilling a savings culture in every individual is important, especially at a young age.

Let us foster positive financial habits and begin our saving journey. Here are a few tips on how you can start:

Build an emergency fund

An emergency fund can help cushion any unexpected financial shocks, such as a car accident, medical emergency or loss of income. Your emergency fund is recommended to be at least 3 to 6 months of your monthly expenses. This fund should not be confused with your regular savings as it should be used for emergency cases only.

Practice active saving

Make sure you actively save! This refers to setting aside some of your income first for your savings before spending. Saving with a purpose is very rewarding, so set your short-, medium- and long-term financial goals when saving money.

Utilise technology

Set up an instruction with your bank so that a percentage of your salary is automatically transferred to your savings accounts on a monthly or regular basis. This way, you don't have to transfer your savings manually every time – it's done for you! Speak to your bank or financial institution on how to do this.



Shop and compare

Know your rights as consumers by asking questions about a financial product so you fully understand its benefits and risks before subscribing. Compare savings products offered by different banks or insurance companies/takaful operators to make sure you find one that is most suited to your financial goal.

Encourage saving from an early age

Make saving money fun, especially for your children and loved ones so positive financial habits are cultivated for the long-term. For instance, you can label coin jars with savings goals; save B\$5 notes; or create a savings challenge. The earlier you develop a savings habit, the better!

Beware of financial scams

Be vigilant of financial scams tactics. If they are too good to be true – it probably is. With the rise of uncertified financial “influencers” on social media, some may offer inaccurate advice that may not be applicable to everyone, or urge you subscribe to unlicensed financial products and services which may be a financial scam. Always be cautious and do not follow all financial advice blindly. You can approach certified/qualified financial planners from the Financial Planning Association of Brunei Darussalam (FPAB) or licensed financial institutions for more tailored and customised financial advice.

Go beyond savings

In today’s volatile environment, prices of goods and services all around the world are increasing. As important as saving may be, other aspects of financial planning should also be considered, particularly wealth protection through takaful/insurance products; investments options through licensed financial institutions by BDCB; and retirement planning.